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660 Madison Avenue
New York, New York 10021

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Contact: Leigh Smith
(212) 980-2353

Van Expenses Added . . .

'79 TRUCK COSTS UP ANOTHER 15%, RISE TOTALS 120% SINCE 1972, HERTZ SAYS

Typical truck ownership and operating costs rose almost 15% again in 1979, bringing total increases in commercial vehicle expenses to more than 120% since 1972, The Hertz Corporation reported today in its yearly estimate of truck outlays.

"The new figures indicate that truck operators buying new tractor-trailers can expect to spend nearly \$360,000 to run these units their typical 100,000 annual miles over the next five years of their probable use life," according to J.E. Menendez, executive vice president in charge of Hertz truck and equipment leasing.

He said that because of the key role trucks play in the nation's economy, the increases can have a "ripple" effect on the prices consumers pay for all goods and services.

The latest rise puts the advance in typical truck fleet expenses since the Arab oil embargo about half-again above the 80% surge in the country's overall living costs in the same seven-year 1972-79 period, the lease-rental company's report pointed out.

The 1978 rise also was 15%, the Hertz data shows, while the 1977 advance was 11%, the '76 surge was 6.2%, 1975's advance was just 4%, and the 1974 and 1973 upward moves amounted to 25% and 7%, respectively.

The Hertz surveys each year have included ownership and running expenses for a typical 18-foot city-suburban pick-up and delivery unit and for an 18-wheel over-the-road tractor-trailer combination unit.

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This year Hertz added cost estimates for a typical "mini-bus" passenger van to reflect increasing use of these vehicles in commuter-pool arrangements since last year's explosive fuel price rises.

"These 'passenger trucks' originally gained popularity as family recreational vehicles," Mr. Menendez said, "but in the past year we have seen a growing demand for them from corporations, government units and individuals for commuting."

The 1979 Hertz study reflects higher expenses in every truck cost category, with fuel and interest expenses both jumping more than 30% and truck purchase prices themselves up as much as 14%.

The vehicle lease-rental company said that its "big-rig" cost estimates would have surged even more, but its study switched from traditional higher-power tractors to fuel-saver engine and drive-train specifications.

"Our studies indicate that these fuel-saver components can increase fuel efficiency by as much as a mile-per-gallon, from about 4 mpg to 5 mpg," Mr. Menendez said. "This may sound small, but it reflects a fuel-efficiency increase of as much as 20%.

He pointed out that with a typical long-distance combination rolling some 100,000 miles a year, the savings in dollars and in diesel fuel are substantial.

The \$299,900 Truck

For a typical over-the-road 55-65 foot, five-axle diesel tractor-trailer, per-mile-costs averaged over a five-year, half-million mile use-life reached almost 60¢ in 1979, compared with 53¢ in 1978 and with just 28¢ in 1972. (See Table A.2)

"Even if expenses should stay at present levels, these figures mean a typical tractor-trailer will cost some \$299,900 to run for the next five years and this excludes driver compensation and fringe benefits which could add close to \$200,000 extra," the Hertz executive said.

If prices continue to rise in the future as they have in the past, the outlays by 1984 will have totalled \$358,650, the study shows. (Table C.)

The Hertz study shows that truck costs vary substantially by age and mileage of the unit, with the tractor-trailer expenses ranging from less than 53¢ per mile during the first 100,000-miles to more than 65¢ in the fifth 100,000 mile use period, assuming constant prices. (Table B.)

But if costs climb between now and 1984 as they did in past years, the fifth-year outlays will come to almost 93¢ a mile. (Table C.) However, the company said, most small fleet operators replace part of their fleets each year or so and inflation thus masks these increases.

For example, the study shows, while the first-year expenses for a tractor-trailer purchased in 1979 came to that 53¢ per mile figure, fifth-year expenses for a combination acquired in 1975 were only 59.33¢ a mile, primarily because of the significantly lower purchase price of the rig at that time. (Table D.)

Truck & Van Data

The Hertz study shows that the cost of operating an 18-foot gasoline powered truck in city-suburban pickup and delivery service for 15,000 miles a year came to 88.6¢ a mile, against 76.6¢ in 1978. The truck's purchase price jumped from \$14,762 in 1978 to \$16,106 in 1979. (Table A.1.)

For the first time Hertz also included the cost of 15-passenger vans, typical of the units used in commuter pools. The study estimated costs for 15,000-mile per-year use for both three- and six-year ownership periods and also listed comparative per-mile per-passenger mile cost estimates for vans, station wagons and sedans.

In three-year use, the per-mile van cost was just over 51¢ at 15,000 miles a year, a typical annual distance. This compares with 33¢ a mile for a passenger-car station wagon in the same circumstances and with just under 29¢ for a 1979 intermediate sedan which Hertz has traditionally used as a typical passenger car in its annual auto expense studies. (Table E.)

This is the same typical sedan which costs 38¢ a mile to run 10,000 miles a year for three years at 1979 prices. By running more miles, the per-mile expense drops, but overall annual dollar outlays increase.

The lease-rental firm's data shows that the per-passenger mile costs for the intermediate, assuming four occupants, would be 7.2¢ a mile at the 15,000-mile-a-year rate, while the per-rider van-pool commuter costs would be less than half that figure, or 3.4¢ a mile, for each of the 15 van occupants.

Keeping the units six years would lower the per-passenger-mile outlays to 6.2¢ a mile for the sedan, 2.9¢ for the van.

Hertz has been issuing cost studies for vehicles since 1973 to provide car and truck operators with a benchmark to measure their own expenses. But it emphasizes that a wide variety of circumstances can materially change the costs for any individual unit, or similar units in different use by different people in different sections of the country.

The company says the annual percentage increases and rises over the years should provide guidelines against which operators can measure their own expenses.

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TRUCK COST ANALYSIS SUMMARIES

Section A.1 INFLATIONARY AND/OR PRODUCT-IMPROVEMENT INCREASES ALONE FOR 1968 TO 1979
(Averages of Costs in 1st, 2nd, 3rd, 4th & 5th Years of Use in Each Separate Category by Years)

Consumer Price Index	104.2	125.3	133.1	147.7	161.2	170.5	181.5	195.3	223.4	14.4%	78.9%
VAN FLEETS										PERCENTAGE INCREASES	
5-Year Average Costs @ 15M Miles A Year										1978-9	1972-9
Vehicle Purchase Price	\$6452	\$7644	\$8221	\$10323	\$10373	\$11148	\$12486	\$14762	\$16106	9.1	111
Cost & Purchase Year	1968	1972	1973	1974	1975	1976	1977	1978	1979		
Depreciation	.0781	.0927	.0997	.1252	.1261	.1355	.1518	.1793	.1959	9.26	111
Interest	.0169	.0241	.0297	.0429	.0375	.0402	.0495	.0599	.0786	31.22	226
License, Taxes	.0044	.0053	.0057	.0061	.0067	.0068	.0069	.0111	.0122	9.9	130
Insurance	.0363	.0435	.0451	.0498	.0576	.0720	.0905	.1137	.1277	12.3	194
Garaging	.0328	.0415	.0451	.0500	.0530	.0560	.0596	.0642	.0697	8.51	68
Administrative	.0427	.0534	.0565	.0625	.0657	.0703	.0776	.0847	.0925	9.2	73
Fixed Costs Sub-Tot.	.2112	.2608	.2822	.3372	.3466	.3808	.4359	.5129	.5766	12.4	121
Maintenance	.0421	.0480	.0499	.0541	.0570	.0598	.0658	.0748	.0813	8.6	69
Washes, Repaint	.0100	.0113	.0117	.0127	.0130	.0133	.0146	.0161	.0176	9.4	56
Tires, Tubes	.0117	.0144	.0150	.0173	.0182	.0191	.0204	.0216	.0236	9.26	64
Oil, Grease	.0024	.0028	.0031	.0053	.0055	.0057	.0068	.0073	.0088	20.55	214
Fuel	.0495	.0605	.0691	.1037	.1085	.1132	.1189	.1328	.1779	33.96	194
Variable Sub-Total	.1157	.1370	.1487	.1931	.2022	.2111	.2265	.2526	.3092	22.4	126
FIXED AND VARIABLE											
Annual ¢ Per Mile	.3269	.3978	.4309	.5303	.5488	.5919	.6624	.7655	.8858	15.7	123
Annual \$ Costs	\$4,904	\$5,967	\$6,464	\$7,955	\$8,232	\$8,878	\$9,936	\$11,483	\$13,287		
5-Year \$ Costs	\$24,518	\$29,835	\$32,318	\$39,773	\$41,160	\$44,390	\$49,680	\$57,413	\$66,435		

(See Section A.2 next page for tractor-trailer combination costs and for footnotes applicable to these first pages.)

NOTE: Purchase prices are based on list costs effective October of each year; figures in other categories may reflect data as much as seven months earlier, producing un-even year-to-year percentage rises.

Both the van and the tractor-trailer combination this year (1979) reflect equipment changes which Hertz has incorporated into its specifications over the years since the studies have been conducted.

TRUCK COST ANALYSIS SUMMARIES

Section A.2 INFLATIONARY AND/OR PRODUCT IMPROVEMENT INCREASES ALONE FOR 1968 to 1979
(Averages of costs in 1st, 2nd, 3rd, 4th & 5th Years of Use in Each Separate Category by Years)

TRACTOR-TRAILER FLEETS

5-Year Average Costs @ 100M Miles A Year

PERCENTAGE INCREASES 1978-9 1972-9

Vehicle Purchase Price*	\$30870	\$34039	\$36973	\$45392	\$52217	\$52030	\$56511	\$69679	\$78857	13.2%	132%
Cost & Purchase Year	1968	1972	1973	1974	1975	1976	1977	1978	1979		
Depreciation	.0513	.0566	.0615	.0738	.0853	.0847	.0922	.1129	.1273	12.8	125
Interest	.0113	.0161	.0200	.0283	.0283	.0282	.0336	.0425	.0556	30.8	245
License, Taxes	.0105	.0120	.0120	.0120	.0121	.0121	.0123	.0140	.0144	2.9	20
Insurance	.0145	.0163	.0164	.0167	.0168	.0238	.0382	.0493	.0619	25.6	280
Garaging	.0033	.0041	.0045	.0050	.0053	.0056	.0060	.0064	.0069	7.8	68
Administrative	.0125	.0160	.0170	.0188	.0199	.0219	.0242	.0265	.0286	7.9	79
Fixed Costs Sub-Tot.	.1034	.1210	.1313	.1545	.1677	.1763	.2065	.2518	.2947	17.0	144
Maintenance	.0519	.0582	.0605	.0657	.0689	.0723	.0745	.0849	.0926	9.1	59
Washes, Repaint	.0029	.0031	.0033	.0036	.0038	.0040	.0044	.0046	.0050	8.7	72
Tires, Tubes	.0200	.0221	.0234	.0253	.0265	.0278	.0298	.0315	.0341	8.3	54
Oil, Grease	.0018	.0020	.0022	.0040	.0042	.0044	.0053	.0057	.0070	22.8	250
Fuel	.0597	.0729	.0796	.1225	.1250	.1289	.1378	.1513	.1664	10.0	128
Variable Sub-Total	.1363	.1584	.1689	.2210	.2284	.2374	.2518	.2780	.3051	9.7	93
FIXED AND VARIABLE											
Annual ¢ Per Mile	.2397	.2794	.3003	.3755	.3961	.4137	.4583	.5296	.5998	13.2	115
Annual \$ Costs	\$23,970	\$27,939	\$30,030	\$37,550	\$39,610	\$41,370	\$45,830	\$52,960	\$59,980		
5-Year \$ Costs	\$119,850	\$139,695	\$150,150	\$187,750	\$198,050	\$206,850	\$229,150	\$264,800	\$299,900		

NOTE: Figures in this Section (A) reflect Hertz estimates of the average per-mile costs for trucks over their assumed five-year life in each of the calendar years listed (1968-79), for each separate cost category. These totals, therefore, do not reflect 'real time' expenditures. They are presented in this manner to illustrate annual inflationary (or product change) increases, by cost category.

For example, the 45.83¢ per-mile average for a T-T in 1977 would NOT reflect 'real time' cost of any unit of any age that year. Some fixed costs would be accurate for that year, as would Fuel and Oil and Grease, because costs in these categories do not vary by vehicle age or mileage, only as a result of inflation or other pricing changes. For Maintenance, Wash & Repaint and Tires & Tubes, however, costs do change according to vehicle age and mileage, as well as according to inflation. These categories reflect the averages of 1st, 2nd, 3rd, 4th and 5th use-year costs. Thus, a new (1st year) 1977 T-T would have lower Maintenance, Wash & Repaint and Tires & Tubes costs, and therefore, over-all first-year costs would be lower. Conversely, the T-T's fifth-year costs in 1977 would be higher, over-all, than the 45.83¢ average, because the Maintenance, Wash & Repaint and Tires & Tubes categories have higher fifth-year costs. In short, Costs in this Section (A) reflect only the inflationary and product change increases. They do not reflect age-mileage increases; these are shown in Section (B). The combined 'real time' figures, which reflect both inflation and age, are in Section (C). *As of 10/79. See data at end.

Section B. AGE-MILEAGE COST INCREASES ALONE
(excluding inflationary & product improvement increases)

Vehicle Use Year (Veh. Age)	1st	2nd	3rd	4th	5th	Five-Year	Pct. Increase
Cost & Purchase Year (Estimated)	1975	1975	1975	1975	1975	Total	Average Yr. 1-4 Yr. 1-5
Van Cents Per Mile Costs	.5123	.5502	.5476	.6005	.5334		.5488
Annual \$ Costs @ 15M MPY	\$7,684	\$8,253	\$8,214	\$9,008	\$8,001	\$41,160	\$8,232 17.2%
Tractor-Trailer & Pr. Mi.	.3290	.3654	.4319	.4070	.4474		.3691
Ant. \$ Cost @ 100M MPY	32,900	36,540	43,190	40,700	44,740	\$198,050	39,610 36.0%

Cost & Purchase Year

Van	1979 -- See Below for Totals and Breakouts						16.1%
Tractor-Trailer							23.5%
Cost & Purchase Year (Projected)	1984	1984	1984	1984	1984		
Van Cents Per Mile	\$1.3812¢	\$1.4835¢	\$1.4763¢	\$1.6190¢	\$1.4380¢		\$1.479¢ 17.2%
Annual \$ Cost @ 15M MPY	\$20,718	\$22,252	\$22,145	\$24,285	\$21,570	\$110,975	\$22,194
Tractor-Trailer & Per Mile	.7947¢	.8827	1.0432	.9831	1.0806		.9568
Annual \$ Cost @ 100M MPY	\$79,470	88,270	104,320	98,310	108,060	\$478,400	\$95,680 36.0%

BREAKOUTS OF 1979 FIRST-YEAR TO FIFTH-YEAR OPERATING COSTS

Van @ 15,000 Miles A Year					TRACTOR-TRAILER @ 100,000 Miles A Year							
1st	2nd	3rd	4th	5th	5-Year	Vehicle Use Year (Age)	1st	2nd	3rd	4th	5th	5-Year
1979	1979	1979	1979	1979	Average	Cost Purchase Year	1979	1979	1979	1979	1979	Average
.1959	.1959	.1959	.1959	.1959	.1959	Depreciation	.1273	.1273	.1273	.1273	.1273	.1273
.0786	.0786	.0786	.0786	.0786	.0786	Interest	.0556	.0556	.0556	.0556	.0556	.0556
.0122	.0122	.0122	.0122	.0122	.0122	Licenses, Taxes	.0144	.0144	.0144	.0144	.0144	.0144
.1277	.1277	.1277	.1277	.1277	.1277	Insurance	.0619	.0619	.0619	.0619	.0619	.0619
.0697	.0697	.0697	.0697	.0697	.0697	Garaging	.0069	.0069	.0069	.0069	.0069	.0069
.0925	.0925	.0925	.0925	.0925	.0925	Administrative	.0286	.0286	.0286	.0286	.0286	.0286
.5766	.5766	.5766	.5766	.5766	.5766	Fixed Cost Sub.-Total	.2947	.2947	.2947	.2947	.2947	.2947
.0396	.0840	.0643	.1602	.0585	.0813	Maintenance	.0348	.0596	.1240	.1018	.1421	.0926
.0144	.0144	.0302	.0144	.0144	.0176	Washes, Repainting	.0042	.0042	.0082	.0042	.0042	.0500
.0131	.0262	.0262	.0262	.0262	.0236	Tires, Tubes	.0213	.0373	.0373	.0373	.0373	.0341
.0088	.0088	.0088	.0088	.0088	.0088	Grease, Oil	.0070	.0070	.0070	.0070	.0070	.0070
.1779	.1779	.1779	.1779	.1779	.1779	Fuel	.1664	.1664	.1664	.1664	.1664	.1664
.2538	.3113	.3074	.3875	.2858	.3092	Variable Cost Sub-Tot.	.2337	.2745	.3429	.3167	.3580	.3051
FIXED & VARIABLE TOTAL												
.8304	.8879	.8840	.9641	.8624	.8258	Cents Per Mile	.5284	.5692	.6376	.6114	.6527	.5998
\$12,456	\$13319	\$13260	\$14462	\$12936	\$13287	Dollars Per Year	\$53,840	\$56,920	\$63,760	\$66,140	\$65,270	\$59,980
\$664.35 5-Year \$-Per Total												

Section C. COMBINED INFLATIONARY-PRODUCT IMPROVEMENT AND AGE-MILEAGE 'REAL TIME' INCREASES

Vehicle Usage Year (Veh. Age)	1st	2nd	3rd	4th	5th	5-Year	Pct. Increase	
Vehicle Cost Year (Estimated)	1971	1972	1973	1974	1975	Total Average	Yr. 1-4	Yr. 1-5
Vehicle Purchase Year	1971	1971	1971	1971	1971			
Van Cents Per Mile Costs	.3514	.4027	.4348	.5881	.5378	.4630¢	67%	
Annual \$ Cost @ 15M MPY	\$7927	\$6041	\$6522	\$8822	\$8067	\$34,725	\$6,945	
Tractor-Trailer & Pr. Mi.	.2399	.2646	.3231	.3830	.4325	.3286¢		
Anl. \$ Cost @ 100M MPY	\$23990	\$26460	\$32310	\$38300	\$43250	\$164300	\$32860	80.0%
*Cost & Purchase Years 1974-78								
Van Cents Per Mile Costs	(see below for totals and breakouts)							75.4%
Tractor-Trailer & Pr. Mi.								
Vehicle Cost Year (Projected)	1979	1980	1981	1982	1983			
Vehicle Purchase Year	1979	1979	1979	1979	1979			
Van Cents Per Mile Costs	.8304	.9562	.9753	1.1661	1.1343	\$1.0125	40.4%	
Annual \$ Cost @ 15M MPY	\$12456	\$14343	\$14630	\$17492	\$17015	\$76887	\$15377	
Tractor-Trailer & Pr. Mi.	.5284	.6036	.7448	.7829	.9270	.7173¢		
Annual \$ Cost @ 100M MPY	\$52840	\$60360	\$74480	\$78290	\$92700	\$358650	\$71730	75.0%

*BREAKOUT OF ACTUAL 1975-1979 1ST-YEAR TO 5TH-YEAR REAL TIME OPERATING COSTS

(For a fleet of vehicles all of which were purchased in 1975 and run through 1979, similar conditions)

VAN @ 15,000 Miles A Year						TRACTOR-TRAILER @ 100,000 Miles A Year					
1st	2nd	3rd	4th	5th	5-Year	Vehicle Use Year (Age)	1st	2nd	3rd	4th	5th
1975	1976	1977	1978	1979	Average	Vehicle Cost Year	1975	1976	1977	1978	1979
1975	1975	1975	1975	1975	Cost	Vehicle Purch. Yr.	1975	1975	1975	1975	1975
.1261	.1261	.1261	.1261	.1261	.1261	Depreciation	.0853	.0853	.0853	.0853	.0853
.0344	.0344	.0374	.0409	.0506	.0395	Interest	.0260	.0271	.0282	.0309	.0382
.0067	.0068	.0069	.0111	.0122	.0087	Licenses, Taxes	.0121	.0121	.0123	.0140	.0144
.0576	.0720	.0905	.1137	.1277	.0923	Insurance	.0168	.0238	.0382	.0493	.0619
.0530	.0560	.0596	.0642	.0697	.0605	Garaging	.0053	.0056	.0060	.0064	.0069
.0657	.0703	.0776	.0847	.0925	.0782	Administrative	.0199	.0219	.0242	.0265	.0286
.3435	.3656	.3981	.4407	.4788	.4053	Fixed Cost Sub-Total	.1654	.1758	.1942	.2124	.2353
.0532	.0618	.0521	.1474	.0585	.0746	Maintenance	.0239	.0434	.0998	.0933	.1431
.0107	.0109	.0250	.0132	.0144	.0148	Washes, Repainting	.0032	.0034	.0072	.0034	.0042
.0101	.0212	.0226	.0240	.0262	.0208	Tires, Tubes	.0165	.0304	.0326	.0345	.0373
.0055	.0057	.0068	.0073	.0088	.0068	Grease, Oil	.0042	.0044	.0053	.0057	.0070
.1085	.1132	.1189	.1328	.1779	.1303	Fuel	.1250	.1289	.1378	.1513	.1664
.1880	.2123	.2254	.3247	.2858	.2473	Variable Cost Sub-Total	.1728	.2105	.2825	.2887	.3580
FIXED & VARIABLE TOTAL						Cents Per Mile	.3382	.3863	.4767	.5011	.5933
.5315	.5784	.6235	.7654	.7646	.6526	Dollars Per Year	\$33820	\$38630	\$47670	\$50110	\$59330
\$7973	\$8676	\$9353	\$11481	\$11469	\$9789	5-Year Dollar Total					\$229,600

NOTE: Figures in the 'breakout' in this Section (C) reflect 'real time' costs in each category, and in the over-all totals as well, for fleets purchased in 1975, and run through 1979. Note that depreciation (at 8.53) on T-T, for example) for all years reflects 1975 purchase price in Section A. but the 3.82¢ interest in 1979 here differs from both the 1975 and 1979 figures there, since 'real time' costs here reflect interest at 1979 rates but on the amount required

in 1975 for the truck purchase then.

Section D. COST OF FLEETS OF TYPICAL UNITS OF 1 TO 5 YEARS OLD IN 1978
(assuming equal number of vehicles 1, 2, 3, 4, and 5 years of age in given year)

Vehicle Usage Year (Veh. Age)	1st	2nd	3rd	4th	5th	5-Year		Pct. Increase	
Vehicle Cost Year (Estimated)	1975	1975	1975	1975	1975	Total	Average	Yr.1-4	Yr.1-5
Vehicle Purchase Year	1975	1974	1973	1972	1971				
Van Cents Per Mile	.5090	.5200	.5167	.5566	.4811		.5167¢		
Annual \$ Cost @ 15M MPY	\$7635	\$7800	\$7751	\$8349	\$7217	\$38,752	\$7751	9.4%	
Tractor-Trailer & Pr. Mi.	.3424	.3555	.3997	.3811	.4111		.3780¢		
Anl. \$ Cost @ 100M MPY	\$34,240	\$35,550	\$39,970	\$38,110	\$41,110	\$189000	\$37800		20.0%

*BREAKOUTS OF ACTUAL COST IN 1979 FOR VEHICLE FLEETS 1-5 YEARS OLD
(assuming equal number of vehicles were 1, 2, 3, 4 and 5 years old in 1979)

VAN @ 15,000 Miles A Year

1st	2nd	3rd	4th	5th	5-Yr. Average
1979	1979	1979	1979	1979	
1979	1978	1977	1976	1975	Cost
.1959	.1793	.1518	.1355	.1261	.1577
.0786	.0720	.0609	.0544	.0506	.0633
.0122	.0122	.0122	.0122	.0122	.0122
.1277	.1277	.1277	.1277	.1277	.1277
.0697	.0697	.0697	.0697	.0697	.0697
.0925	.0925	.0925	.0925	.0925	.0925
.5766	.5534	.5148	.4920	.4788	.5231
.0396	.0840	.0643	.1603	.0585	.0813
.0144	.0144	.0302	.0144	.0144	.0176
.0131	.0262	.0262	.0262	.0262	.0236
.0088	.0088	.0088	.0088	.0088	.0088
.1779	.1779	.1779	.1779	.1779	.1779
.2538	.3113	.3074	.3875	.2858	.3092
.8304	.8647	.8222	.8755	.7646	.8323
\$12456	12971	12333	13193	11469	\$12,485
					\$62,422

TRACTOR-TRAILER @ 100,000 Miles A Year

Vehicle Use Year (Age)	1st	2nd	3rd	4th	5th	5-Year Average
Vehicle Cost Year	1979	1979	1979	1979	1979	
Vehicle Purchase Year	1979	1978	1977	1976	1975	Cost
Depreciation	.1273	.1129	.0922	.0847	.0853	.1005
Interest	.0556	.0510	.0413	.0381	.0382	.0448
Licenses, Taxes	.0144	.0144	.0144	.0144	.0144	.0144
Insurance	.0619	.0619	.0619	.0619	.0619	.0619
Garaging	.0069	.0069	.0069	.0069	.0069	.0069
Administrative	.0286	.0286	.0286	.0286	.0286	.0286
Fixed Cost Sub Total	.2947	.2757	.2453	.2346	.2353	.2571
Maintenance	.0348	.0596	.1240	.1018	.1431	.0926
Washes, Repainting	.0042	.0042	.0082	.0042	.0042	.0050
Tires, Tubes	.0213	.0373	.0373	.0373	.0373	.0341
Grease, Oil	.0070	.0070	.0070	.0070	.0070	.0070
Fuel	.1664	.1664	.1664	.1664	.1664	.1664
Variable Costs Sub Total	.2337	.2745	.3429	.3167	.3580	.3051
FIXED & VARIABLE TOTAL						
Cents Per Mile	.5284	.5502	.5882	.5513	.5933	.5622
Dollars Per Year	\$52840	\$55020	\$58820	\$55130	\$59330	\$56220
5-Year Dollar Total						\$281,100

NOTE: Results in this Section (D) reflect 1979 costs of a fleet of an equal number of vehicles, 1, 2, 3, 4 & 5-years old, as opposed to the data in Section C., which represented costs for a fleet of truck all bought in 1975 and run until 1979 so that in 1979 they were all five years old. Section C. shows how five years of inflation and use can increase the cost of running a truck from its first to its fifth year by 75 per cent, while this Section (D) illustrates how inflation can mask age-mileage increases in a fleet that normally replaces only a part of its units each year. In this Section the 1st-to-5th use-year rise (5th year costs for an old truck in 1979 vs. 1st year costs for a more expensive new one) is just 20 per cent for a TT.

Table F

TYPICAL 1979 VAN, STATION WAGON AND PASSENGER CAR
OWNERSHIP AND OPERATING COSTS

Expense Item	Inter- mediate Sedan	Psgr. Car Station Wagon	E-350 Psgr. Van	Chateau Club Coach Van (E-350)	
Number of Passengers	4	6	12	15	(1978 Cost) 15
List Price	\$6,738	\$7,998	\$10,302	\$12,594	\$11,403
Purchase Price*	\$6,161	\$7,313	\$9,418	\$11,516	\$10,427
(Years Use @ 15,000 Miles A Year)					
	3 yrs.	6 yrs.	3 yrs.	6 yrs.	3 yrs.
<u>Fixed Expenses</u>					
<u>Cents Per Mile</u>					
<u>Depreciation</u>	10.41¢	6.16¢	12.07¢	7.15¢	15.54¢
<u>Lic., Fees, Insurance</u>	5.27	5.02	5.57	5.31	6.61
<u>Interest</u>	3.06	2.82	3.54	3.27	4.56
<u>Subtotal Fixed Expenses</u>	18.73	14.00	21.18	15.72	26.71
<u>Variable Expenses</u>					
<u>Maintenance</u>	2.64	3.25	2.88	3.55	3.51
<u>Fuel & Other Service Station Charges</u>	7.43	7.48	9.27	9.35	14.31
<u>Subtotal</u>	10.07	10.73	12.15	12.91	17.82
<u>Variable Expenses</u>	10.07	10.73	12.15	12.91	17.82
<u>TOTAL FIXED & VARIABLE EXPENSE</u>	28.79¢	24.73¢	33.33¢	28.63¢	44.53¢
<u>Cost Per Occupant Per Mile</u>	7.20¢	6.18¢	5.56¢	4.77¢	3.71¢

* Prices assume vehicles are comparably equipped and assume delivery charge, typical dealer discount and average sales taxes. The van price assumes seats are installed. These estimates are based on Hertz internal data from its Truck Division and Car Leasing Division. Truck Division costs are based on commercial usage, rather than private travel; therefore, certain adjustments have been made in truck cost estimates to make them correspond to passenger car operation, as calculated annually by Hertz.

NOTES TO VEHICLES AND OTHER DATA USED FOR HERTZ TRUCK COST STUDIES

Vehicles Used: 1980 Ford F-600 23000 lb. GVW 330 HD (137 hp) V8 engine, 5-speed transmission, standard body, normal Hertz-specified options with typical painting, plus delivery, makeready and local taxes @ 5.1 per cent. List price \$19,779. Assumed purchase price \$16,106.

Depreciation: Based on 5 year use, assumed 10 per cent trade-in, re-sale or salvage value. (Purchase price without tax used as depreciation base.)

Interest includes amounts paid and "lost" on purchase price, assuming 20 per cent down payment, 80 per cent financed over vehicle use life at 12.83% paid, 8 % interest lost for '79. (For '78 10.18 per cent, 7 per cent, '77 9.5 per cent, 6 per cent, '76 9 per cent, 5 per cent, '75 9, 5; '74 10, 6; '73 9, 5; '72 8, 4½; '71 7½, 4¼ per cent.

Insurance: Based on 50-mile radius, average wholesale/retail rates for non-hazardous loads -- \$750 deductible comprehensive, \$250m/\$500m/\$50m liability.

Fuel: Gasoline. Efficiency 5.3 mpg. Price per gal. '79 94.3¢; '78 70.4¢; '77 63¢; '76 60 ¢; '75 57½¢; '73 36.6¢; '72 32.1¢; '71 30.9¢. (Regular Fuel)

Tractor-Trailer Combination

Vehicles Used: Tractor. Ford CLT 9000, F350 (350 hp) engine. RT 12509 (13 spd.) transmission, CGW 80,000 lbs. Total includes manufacturer and Hertz specified options and additional equipment, painting, delivery and makeready, plus local taxes. List: \$70,478. Assumed purchase price \$56,798. Trailer: 40 X 12½ foot smooth skin, sliding twin axle, 1 3/8 in. plywood floor, normal Hertz specified options, MR, painting, delivery, list price including taxes, \$20,480. Assumed purchase price \$19,182. *Combination tractor-trailer list, \$90,958, purchase price \$78,857.

Depreciation: Tractor based on 10 per cent of salvage, assumed 5-year use
Trailer based on 10 per cent salvage, assumed 8-year use.
(Depreciation based on purchase price less sales tax.)

Licenses & Taxes: This category excludes fuel taxes (which are in fuel cost totals), local and sales taxes (included in purchase price and reflected in depreciation.)

Interest: Rates and assumptions same as for van.

Insurance: \$1000 deductible comprehensive, \$250m/500m/50m liability, 300-mile radius non-hazardous loads.

Fuel: Diesel. Efficiency 5 mpg. Per gallon price: '79 83.2¢; '78 60.5¢; '77 55.1¢; '76 51.5¢; '75 31.8¢; '74 49¢; '73 31.8¢; '72 29.2¢; '71 27.8¢.

Van: Ford E-350 with Chateau Super Club package. Passenger car depreciation formula used. Interest rates as above. Special commercial insurance package assumed. Fuel efficiency: 8 MPG, regular leaded gasoline.